



State of Utah

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Executive Director

June 20, 2008

Name

Company Name

Address

City, State Zip

RE: Verification of Sales and Use Tax and Transient Room Tax

Dear Name:

We recently sent you a notice regarding your cooperation in completing a self-review on your vacation rental property. Through this project it was brought to the Auditing Division's attention that there may be some confusion or misunderstanding as to what fees are subject to sales tax and transient room tax.

The fees in question that have created the confusion or misunderstanding have been billed for separately on the customer's rental or lodging invoice. The questionable fees include the following:

- *Cleaning Fee*
- *Reservation Fee*
- *Change Fee*
- *Resort Fee*
- *Additional Room Service*
- *Front Desk Labor Fee*

As a result of the misinterpretation by some in the vacation rental property business, the fees listed above will be treated as being part of the sales price and subject to the sales tax and transient room tax on a prospective basis beginning **July 1, 2008**.

There are many different types of fees that are charged in addition to the base room rental. It can be difficult at times to determine whether these fees are taxable or not. Enclosed with this letter is a detailed list of different types of fees that are charged with a designation as to whether these fees are taxable or nontaxable. This list is not all inclusive, but is to be used as a basis for analyzing your particular situation.

What you should do:

If you are already collecting sales tax and transient room tax on these fees, then continue to do so. If you have not been collecting sales tax and transient room tax on these fees, then you need to start collecting the taxes beginning **July 1, 2008**.

Those who were **not** collecting tax on the fees listed above, but reported and paid tax on these fees through the self-review project are eligible for a refund of the tax remitted. To claim your refund, please do the following:

1. Complete the enclosed **Refund Request** worksheet by listing the type of fee and the total amount charged by quarter.
2. Provide an example of a rental invoice, sales journal, or other documentation showing that you were charging your customer the fee.
3. Return the completed **Refund Request** and proof of your charging the fee in the envelope provided by **July 21, 2008**.

If you have not returned the self-review, please do the following:

1. Fill out the **Checklist & Questionnaire**.
2. Complete the enclosed **Worksheet** and **Summary** by following the **Instructions** (do not include the above mentioned fees in the gross receipts reported on the **Worksheet**).
3. Return the completed forms in the envelope provided, along with your payment of computed tax and interest, if applicable, by **July 21, 2008**.

If you have questions or need additional time:

Email us at comp@utah.gov or you may contact one of the following:

Ralph Hoggan	(801) 297-4759
Steve Peterson	(801) 297-4758
Matt Duke	(801) 297-4670

Thank you for your prompt attention and cooperation regarding this matter.

Respectfully,



Michael Christensen
Tax Audit Manager

Enclosures